Social protection floor: 
A UN Joint crisis initiative

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Definitions: social protection, social security ...

I. The issue: low level of social protection coverage, although many arguments to justify the extension

II. The UN CEB Social protection floor initiative as a response to the crisis

III. The SPF is affordable and feasible

IV. What can be done to support the Social Protection Floor initiative?
   a) Global level & regional level
   b) Country level
• **Social security** is a coherent set of public measures provided by society to its members
  – To provide people with health care
  – To compensate for the absence or substantial reduction of income from work resulting from:
    • Sickness, Maternity, Work Injury, Unemployment (Short term benefits)
    • Death of the breadwinner, Invalidity, Old age (Long term pensions)
  – To provide benefits for families with children and facilitate access to education (scholarships, CCTs)

• **Social protection** includes also private or non-statutory schemes with similar objectives
I- The issue: low level of coverage ...

Health protection: Proportion of the population covered by law, latest available year (percentages)


Providing coverage in the time of crisis and beyond

Preliminary version, 15 March 2010
I- The issue: low level of coverage ...

Old-age pension beneficiaries (C and NC) as a percentage of the population above retirement age, latest available year

Lack of coverage

1. Less than 20 per cent (45)
2. Between 20 and 50 per cent (29)
3. Between 50 and 90 per cent (31)
4. 90 per cent and over (30)
5. No data (62)
I- The issue: low level of coverage ...

Existence of unemployment protection schemes by type of scheme, 2008–09

Lack of coverage

1. No social security provision
2. Social insurance
3. Social assistance
4. Mandatory private insurance or provident Fund
5. Mixed: mandatory private & social insurance
6. Severance payment

Providing coverage in the time of crisis and beyond
Preliminary version, 15 March 2010
Social security is a basic human right:
- Universal Declaration of Human Rights (1948), Article 22: Everyone, as a member of society, has the right to social security
- International Covenant on Economic, Social and Cultural Rights (1966), Article 9: « recognize the right of everyone to social security, including social insurance »

One area of social security (access to health) is addressed by a specific right: the right to health

Consequences:
- States and international community have the obligation to take appropriate measures to guarantee this right (legal, administrative, budgetary ...)
- Each individual is entitled to a minimum level of social protection, without exception or discrimination

ILO Conventions and recommendations provide useful guidance for the design of SS legislations
- ILO C102, 1952: Flagship convention of social security
- Social security has a redistribution function and therefore
  - Contributes to protect people from economic and social shocks
  - Contributes to reduce poverty and inequalities
    - Income transfers through social security have a short term and a longer term effect on income inequality & moving out of poverty
  - Contributes to boost consumption of households & to the development of the domestic market, and a more balanced economy
    - Boost economic growth by raising domestic demand / internal markets
    - Enhance human capital and productive employment - a better educated, healthy and well nourished workforce
• In times of crisis, social security systems are social and economic stabilizers
  – They mitigate the economic and financial impact of Unemployment and Under-Employment on workers and their families → social stability
    • Most of the fiscal stimulus packages adopted by the governments included social protection components
  – They support aggregate domestic demand → facilitate recovery
    • Lessons learned from past crises: countries that had effective and efficient social security systems in place were much better equipped than those who had not put such systems into place.
I- ... Although many arguments to justify the extension

- Social protection floor impact on poverty in Brazil: % of poor with/without a social pension in 2007

Obs: Foram considerados apenas os habitantes de domicílios onde todos os moradores declararam a integralidade de seus rendimentos.
II- The UN CEB Social protection floor initiative

- On April 2009, the UN Chief Executives Board (CEB) have agreed on **nine joint initiatives** to confront the crisis, accelerate recovery and pave the way for a fairer and more sustainable globalization:

1. Additional financing for the most vulnerable
2. Food Security
3. Trade
4. A Green Economy Initiative
5. A Global Jobs Pact
6. **A Social Protection Floor**
7. Humanitarian, Security and Social Stability
8. Technology and Innovation
9. Monitoring and Analysis
II- The UN CEB Social protection floor initiative

- Who participates in the SPF initiative?
  - **National stakeholders** including governments (Ministries of Labour, Health, Finance, Agriculture ...); social partners; national NGOs
  - **17 Agencies**: ILO and WHO (co-leaders), FAO, OHCHR, UN regional commissions, UNAIDS, UNDP, UNDESA, UNESCO, UNICEF, UNFPA, UNHABITAT, UNHCR, UNODC, UNRWA, WFP, WMO
  - The World Bank and IMF
  - Regional development banks, bilateral donors, global funds
  - International NGOs (Helpage, ISSA, Care ...)
II- The UN CEB Social protection floor initiative

• The SPF Initiative aims at ensuring access to essential services and social transfers for the poor and vulnerable. It focuses on 2 critical components:

Supply of **essential services** for all the population:
- housing,
- education,
- health care supply,
- water and sanitation,
- food, etc.

Financing **access to essential health care** (HEFs, CBHI, Subsidized health insurance …)

**Minimum income** support:
- to children (family/child benefits),
- the working poor (cash transfers and PWPs)
- and the elderly (minimum pensions)
... to ensure access to basic social services.

• The two dimensions (supply and demand) are complementary and articulated
## II- The UN CEB Social protection floor initiative

<table>
<thead>
<tr>
<th>Social services &amp; transfers</th>
<th>For...</th>
<th>Types of programs</th>
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<tr>
<td>Health: Health care supply + Financial / Physical access</td>
<td>All population</td>
<td>Subsidized health insurance, HEFs...</td>
</tr>
<tr>
<td>Education: Supply of schools + Financial / Physical access</td>
<td>Children</td>
<td>Scholarships, School feeding programs</td>
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<td>Water, Food, Sanitation, Housing: Transfers in kind: food, water...</td>
<td>All the poor</td>
<td>Food distribution, water supply</td>
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<td>Minimum income: Transfers in cash</td>
<td>Families with children</td>
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<td>Working poor, under-employed</td>
<td>PWP, employment guaranteed schemes</td>
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<td>Elderly, disabled..</td>
<td>Minimum pensions</td>
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II- The UN CEB Social protection floor initiative

- The **SPF** is not only an anticrisis measure but an essential part of each country’s national social security strategy which may have 2 dimensions:
  1. An **horizontal dimension**: Extension of the SPF (minimum income security and access to health care) to the whole population (“minimum core content”).
  2. A **vertical dimension** aims to provide higher levels of income security and access to higher quality health care.

Of course in many countries it is less schematic...
1. Horizontal coverage: providing a social protection floor for all

2. Vertical coverage: providing higher levels of social security benefits through contributory schemes

Illustration of horizontal/vertical extension in Cambodia:

- Civil servants
- Formal sector Workers
- Informal Economy
- Near poor
- Very poor

SOCIAL PROTECTION STRATEGY FOR THE POOR AND VULNERABLE

- Food security (school feeding programs, distribution of food)
- Child benefits, CCTs (to enhance school attendance and access to health care)
- Public works

SOCIAL SECURITY (NSSF and NSSF-C)

SOCIAL HEALTH PROTECTION STRATEGY:
- SHI, CBHIs, Equity funds

II- The UN CEB Social protection floor initiative
III- The SPF is affordable and feasible

Evidence emerges that a minimum package of social security benefits is affordable in even the poorest countries (recent work by the ILO on the cost of a minimum package in sub-Saharan Africa, Asia and Latin America).

A SPF is possible from a financial and macro-economic point of view in every country (3 to 5 % of GDP). SP is rather a cost-effective investment in human capital.
III- The SPF is affordable and feasible

- Elements of the SPF already exist in many developing countries (85)

Comprehensive SPF: Brazil, Mexico, Chile, Uruguay

Social pensions: Brazil, South Africa, Bolivia (pension dignidad), Chile (pension basica solidaria), Thailand (500 Bath scheme), China (rural old age pension)...

CCTs: Brazil (Bolsa Familia), Mexico (Oportunidades)

CCTs: Brazil (Bolsa Familia), Mexico (Oportunidades), Uruguay (Política de empleo promovido), Argentina (Plan jefes y jefas de familias), China (rural & urban), India (RSBY), Thailand (UCS), Mexico (Seguro popular), Colombia (regimen subsidiado), Uruguay, Chile (plan AUGE), Burkina Faso, Rwanda ...
IV- What can we do to support the SPF?

• At Global level: A SPF Advisory Network
  – Composed of focal points of the UN agencies, WB, IMF...
  – It aims at providing support to the country teams and at monitoring progress at global and regional levels, through:
    • Knowledge management
    • Capacity building for national planners
    • Joint advocacy and Fund raising
    • Developing a common implementation framework
    • Monitoring, evaluating and reporting

A Manual and strategic framework for joint UN country operations was drafted during a workshop in Turin; it proposes a global and a national framework for action.
IV- What can we do to support the SPF?

http://www.socialsecurityextension.org

What is the 'UN CEB Social Protection Floor'?

The UN Social Protection Floor (SPF) initiative promotes universal access to essential social transfers and services. More than 75% of the global population do not enjoy a set of social guarantees that allow them to deal with life's risks. Ensuring a social protection floor for these people, struggling just to survive, is a priority.

There is strong evidence that social protection contributes to economic growth by raising labour productivity and enhancing social stability. Investing in a Social Protection Floor is investing in social justice and economic development. Ensuring a SPF for the entire world population represents a considerable challenge, but calculations by various UN agencies show that a basic floor of social transfers is globally affordable at virtually any stage of economic development, even if the funding is not yet available everywhere.

Roots and rationale of the floor

Concept of the floor

Participants

Affordability

Implementation

Country examples

Roots and Rationale of the Social Protection Floor (SPF)
IV- What can we do to support the SPF?

- At country level (examples in Asia):
  - Establish / work within SPF teams or taskforces
  - Advocacy, awareness raising
  - Common understanding (with UN agencies, government ...)
  - Documentation of experiences
  - Rapid assessment, shared diagnosis (workshop)
  - Support to the development of national SPF strategy
  - Support to the implementation of these strategies
    - Social budgeting, costing exercises
    - Legal work
    - Design & implementation of SPF schemes
    - Monitoring and evaluation of the SPF expansion
IV- What can we do to support the SPF?

• The role of NGOs and civil society: **Advocacy & awareness raising among**
  
  • **Policy makers** (arguments on balanced and equitable growth, being prepared for the future crisis, etc)
  
  • **Employers** (implementing the floor can be part of a differentiation strategy (fairness / equity / redistribution); it is also a matter of CSR towards own staff and subcontractors, as well as surrounding population; it contributes to increase productivity ...)
  
  • **Informal economy workers and rural populations**
  
  • **General public** (that have also a responsibility as consumers)
  
  – **Concrete activities:**
    
    • Find “ambassadors”, document and disseminate good practices, produce brochures targeting each public, media campaigns ...
IV- What can we do to support the SPF?

- The role of NGOs and civil society: **Design of SP strategies and SPFloor**
  - NGOs, associations know better than policy makers the specific needs of the target groups
    - Cambodia, National Social Protection Strategy for the poor and vulnerable, associations dealing with vulnerable groups were involved;
    - India, NREGA, local communities involved in the choice of public infrastructures to be built under the scheme (schools, roads, irrigation...).
The role of NGOs and civil society: Implementation of the SPF

- The missing link between central level and populations ...
  - Targeting (ex: community targeting)
  - Channeling funds within cash transfer programmes (ex: local microfinance institutions)
  - Registration, claims management, local relations with HC providers (ex: role of mutual health organizations within nation-wide schemes: Colombia, Burkina Faso, Philippines)

- The floor supplements their own activities and can therefore reinforce their impact
  - RSBY in India provides Inpatient insurance; Micro-insurance schemes can concentrate on prevention, education and outpatient care
Thank you!